

TENNESSEE EDUCATION LOTTERY CORPORATION

Invitation to Bid

A. PURPOSE

The Tennessee Education Lottery Corporation (“**TEL**”) is soliciting bids for the following services and/or products:

Financial Accounting System Products and Services

Minimum requirements for this Invitation to Bid (“**ITB**”) are defined in **Section G, TECHNICAL CONSIDERATIONS AND REQUIREMENTS**.

B. GENERAL INFORMATION AND SCHEDULE

This ITB has been issued on Friday, December 5, 2003. Questions and requests for clarifications relating to this ITB should be directed to the TEL’s ITB Coordinator, Jasmine Batth. All questions and requests for clarification must be in writing, by Friday, December 12, 2003. The TEL’s responses to all written questions and requests for clarification received by the TEL will be posted to the TEL’s website, www.tnlottery.gov by close of business on Tuesday, December 16, 2003. The ITB Coordinator is to be the sole point of contact at the TEL for potential vendors, effective with the date of release of this ITB and until a vendor is selected. Contact with any employee or representative of the TEL, other than the ITB Coordinator, will result in disqualification.

Ms. Batth can be reached at:

Tennessee Education Lottery Corporation
Plaza Tower MetroCenter
200 Athens Way
Nashville, TN 37228
Telephone: 615-253-1108
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Delivery of five (5) copies of the responses to the TEL ITB Coordinator are due no later than **5:00 p.m.** Central Standard Time (CST) on **Friday, December 19, 2003**. Bids delivered to the TEL ITB Coordinator after this date and time will not be received, or if received will be rejected, **without exception. No provisions are or will be made for extenuating circumstances.**

C. EQUAL OPPORTUNITY

The TEL prohibits discrimination on the basis of race, color, gender, religion, national origin, or disability in connection with employment of any person, or the award of any contract with the TEL.

The TEL will provide equal opportunities without regard to race, color, gender, religion, national origin, or disability, by requiring that any firm doing business with the TEL provide equal opportunity to persons and businesses employed by, or contracting with the supplier of products and services to the TEL.

D. MINORITY PARTICIPATION

It is an overall objective of the TEL to encourage involvement by minority contractors and suppliers in business activities generated by the TEL, while assuring that such activities will be conducted in accordance with all applicable laws. Furthermore, in accordance with the Act, it is the declared policy and intent of the TEL to strive to maximize participation of minority owned businesses to achieve a minimum participation of fifteen percent (15%) through all business contracting opportunities.

E. NON-EXCLUSIVE RIGHTS

The TEL does not intend to grant any entity the exclusive rights to provide all equipment, materials, and services required by the TEL during the period covered by any contract resulting from this ITB.

F. ACCEPTANCE

The TEL reserves the right to accept or reject any and all bid responses, and to negotiate with any or all vendor(s) in any manner necessary to serve the TEL's best interests.

G. TECHNICAL CONSIDERATIONS AND REQUIREMENTS

The TEL requires the following financial accounting system products and services (the "**System**"). Due to system interface requirements this ITB is limited to Systems from the following two providers: (1) **Great Plains** and (2) **Solomon**.

The System must be able to cost effectively support the business processes of the TEL for a minimum of the next 7 to 10 years. Due to time constraints, a quick installation is imperative to achieve the TEL's goal of having the System implemented and operational by mid-January 2004.

The System will be integrated with key business partners including, but not limited to, a third party gaming system application written in Cobol and operated on a Compaq Alpha VMS operating system, Banking Services (To Be Determined) and payroll services (ADP). The integration with our third party gaming application will allow the TEL to handle revenues by retailer by game, accounts receivable by retailer, accounts (prize) payable by game, etc. The System also should be able to import 1099 and W2G information to generate reporting to the Internal Revenue Service.

Transaction / Financial Volumes / Other Relevant Information:

- 4,000 retailers upon start date (Feb 2004).
- Expected initial transaction volume of 40,000 records updated per day.
- Approximately 300 employees total, with a majority to be located at the headquarters office and with five (5) district offices located throughout Tennessee having 6 to 10 employees each.
- Initial number of between 25 – 35 users, with the potential for up to 50 users.

Integrated Modules / Functionality:

1. General Ledger.
2. Financial Reporting / Report Writer (format to include html, xml and MS Excel and email capability).
3. Financial Planning / Forecasting / Budgeting (financial modeling to include ability to view financial scenarios for changes without impacting live data).
4. Accounts Receivable / Credit (interface with third party application required).
5. Fixed Assets / Depreciation (including tracking by department, location, etc.).
6. Supply Chain Management - Purchasing / Procurement, Minority vendor tracking and reporting, Inventory control, Purchase Order processing and tracking, Master Vendor Data File maintenance.
7. Accounts Payable / Disbursements / Employee Expense Reimbursements, 1099 reporting.
8. Payroll (interface with ADP).
9. Cash Management, including bank reconciliations, interface with banking and gaming systems, electronic funds.
10. Module drill down capability to transaction level detail / source documents.
11. Record retention / archive plan and restoring capabilities.
12. On-line approval capability for transactions.
13. Abandoned property functionality.
14. Browser-based user interface.

The bid responses must address the following:

1. Systems integration capability
2. Implementation schedule to include:
 - Installation
 - Training
 - Testing
3. Security
4. System administration / maintenance
5. Customer support
6. Cost to include:
 - Installation, configuration and set up costs
 - Additional software required
 - Training – user and administrative training
 - License fees – one time or annual, fixed or per user, etc.

- Annual Maintenance Agreement
 - System upgrades
 - Warranties
 - Service Level agreements
 - Customization related costs (i.e. hourly rate)
 - Record retention / archive options
7. Technical considerations - detailed description of the hardware system requirements to effectively run the system along with a hardware recommendation
 8. References

Bidder is to provide a pricing quotation per individual component in the cost section.

All bids must clearly identify those items that meet requirements set forth in this solicitation. If bidders do not bid on every item, those omitted items must be identified.